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DEPARTMENT OF COMMERCE

International Trade Administration

[C-489-502]

Circular Welded Carbon Steel Pipes and Tubes from the Republic of Turkey: Preliminary Results of Countervailing Duty Administrative Review and Intent to Rescind the Review, in Part; Calendar Year 2017

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that exporters/producers of circular welded carbon steel pipes and tubes from the Republic of Turkey (Turkey) received countervailable subsidies during the period of review (POR), January 1, 2017, through December 31, 2017.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: John Conniff or Jolanta Lawska, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone (202) 482-1009 and (202) 482-8362, respectively.

SUPPLEMENTAL INFORMATION

Background

On March 7, 1986, Commerce published in the *Federal Register* the countervailing duty order on circular welded carbon steel pipes and tubes from Turkey.¹ On May 2, 2018, Commerce published a notice of initiation of an administrative review of the *Order* covering 25

¹ See *Countervailing Duty Order; Certain Welded Carbon Steel Pipe and Tube Products From Turkey*, 51 FR 7984 (March 7, 1986) (*Order*).

companies.² On November 15, 2018, Commerce extended the due date of the preliminary results of this administrative review until March 29, 2019.³ On January 28, 2019, Commerce exercised its discretion to toll all deadlines affected by the partial federal government closure from December 22, 2018, through the resumption of operations on January 29, 2019.⁴ As a result, the revised deadline for the preliminary results in this review was extended to May 8, 2019.

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.⁵ A list of topics discussed in the Preliminary Decision Memorandum is included at the Appendix to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov> and is available to all parties in the Central Records Unit, Room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Preliminary Decision Memorandum are identical in content.

² *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 83 FR, 19215, (May 2, 2018) (*Initiation*).

³ *See* Memorandum, "Circular Welded Carbon Steel Pipes and Tubes from Turkey: Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review," dated November 15, 2018.

⁴ *See* Memorandum, "Deadlines Affected by the Partial Shutdown of the Federal Government," dated January 28, 2019. All deadlines in this segment of the proceeding affected by the partial federal government closure have been extended by 40 days.

⁵ *See* Memorandum, "Decision Memorandum for the Preliminary Results of the Countervailing Duty Administrative Review, 2017: Certain Welded Carbon Steel Pipe and Tube Products From Turkey," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

Scope of the Order

The merchandise covered by the *Order* is circular welded carbon steel pipes and tubes from Turkey. For a complete description of the scope of the *Order*, *see* the Preliminary Decision Memorandum.

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found to be countervailable, we preliminarily determine that there is a subsidy, *i.e.*, a financial contribution by an “authority” that confers a benefit to the recipient, and that the subsidy is specific.⁶ For a full description of the methodology underlying our conclusions, *see* the accompanying Preliminary Decision Memorandum.

Intent to Rescind Administrative Review, in Part

Erbosan Erciyas Boru Sanayi ve Ticaret A.S. (Erbosan) timely filed a no shipments certification.⁷ Because no evidence on the record contradicts this certification, we preliminarily intend to rescind this administrative review with regard to Erbosan, in accordance with 19 CFR 351.213(d)(3). A final decision on whether to rescind the review with respect to Erbosan will be made in the final results of this review.

Additionally, on June 1, 2018, Borusan submitted a letter to Commerce timely certifying that Borusan Istikbal Ticaret T.A.S. (Borusan Istikbal), Borusan Birlesik Boru Fabrikalair San ve Tic., Borusan Gemlik Boru Tesisleri A.S., Borusan Ithicat ve Dagitim A.S., Borusan Ihacat Ithalat ve Dagitim A.S., and Tubeco Pipe and Steel Corporation had no entries, exports, or sales

⁶ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

⁷ *See* letter from Erbosan “No Shipment Certification of Erbosan Erciyas Boru Sanayi ve Ticaret A.S. (Erbosan) in the 2017 Administrative Review of the Countervailing Duty Order Involving Certain Welded Carbon Steel Standard Pipe from Turkey,” dated May 14, 2018.

of subject merchandise during the POR.⁸ A final decision on whether to rescind the review with respect to these aforementioned companies for which a review was requested in connection with Borusan will be made in the final results of this review.⁹

Preliminary Results of the Review

In accordance with 19 CFR 351.221(b)(4)(i), we calculated individual subsidy rates for the Borusan Companies and the Toscelik Companies. For the period January 1, 2017, through December 31, 2017, we preliminarily determine that the following net subsidy rates for the producers/exporters under review to be as follows:

Company	Subsidy Rate <i>Ad Valorem</i>
Borusan Holding A.S., Borusan Mannesmann Yatirim Holding, Borusan Mannesmann Boru Sanayi ve Ticaret A.S. (Borusan), and Borusan Istikbal Ticaret T.A.S. (Istikbal) (collectively, the Borusan Companies)	0.92 %
Toscelik Profil ve Sac Endustrisi A.S. (Toscelik Profil), Tosyali Dis Ticaret A.S. (TDT), Tosyali Holding, Toscelik Toyo Celik (Toscelik Toyo), Tosyali Filmasin ve Insaat Demir (Tosyali Filmasin), Toscelik Spiral Boru (Toscelik Spiral), Tosyali Demir Celik San A.S. (TDC), Toscelik Granul San A.S. (Toselik Granul), and Tosyali Celik Ticaret A.S. (TCT) (collectively, the Toscelik Companies)	1.53 %
Cagil Makina Sanayi ve Ticaret A.S.	1.23 %
Cayirova Boru Sanayi ve Ticaret A.S.	1.23 %
Cintas Boru Imalatları ve Ticaret Sirketi	1.23 %
Eksen Makina	1.23 %
Guner Eksport	1.23 %
Guyen Steel Pipe (also known as Guven Celik Born San. Ve Tic. Ltd.)	1.23 %
MTS Lojistik ve Tasimacilik Hizmetleri TIC A.S. Istanbul	1.23 %

⁸ See Letter from Borusan, “Circular Welded Carbon Steel Pipes and Tubes from Turkey. Case No. C-489-502: No Shipment Letter,” dated June 1, 2018.

⁹ Because we have found Borusan Istikbal to be cross-owned with Borusan during the instant POR, we are assigning Borusan’s rate to Borusan Istikbal, and thus, we do not intend to rescind the review with respect to Borusan Istikbal.

Net Boru Sanayi ve Dis Ticaret Koll. Sti.	1.23 %
Toscelik Metal Ticaret A.S.	1.23 %
Umran Celik Born Sanayii A.S., also known as Umran Steel Pipe Inc.	1.23 %
Yucel Boru ve Profil Endustrisi A.S.	1.23 %
Yucelboru Ihracat Ithalat ve Pazarlama A.S.	1.23 %

Assessment Rates

Consistent with section 751(a)(2)(C) of the Act and 19 CFR 351.212(b)(2), upon issuance of the final results, Commerce shall determine, and Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by this review. We intend to issue instructions to CBP 15 days after publication of the final results of this review.

For the companies for which this review is rescinded, Commerce will instruct CBP to assess countervailing duties on all appropriate entries at a rate equal to the cash deposit of estimated countervailing duties required at the time of entry, or withdrawal from warehouse, for consumption, during the period January 1, 2017 through December 31, 2017, in accordance with 19 CFR 351.212(c)(1)(i).

Cash Deposit Requirements

Pursuant to section 751(a)(2)(C) of the Act, upon issuance of the final results, Commerce also intends to instruct CBP to collect cash deposits of estimated countervailing duties for each of the companies listed above on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review, except, where the rate calculated in the final results is zero or *de minimis*, no cash deposit will be required. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the most recent

company-specific or all-others rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Disclosure and Public Comment

We will disclose to parties to this proceeding the calculations performed in reaching the preliminary results within five days of the date of publication of these preliminary results.¹⁰

Interested parties may submit written arguments (case briefs) within 30 days of publication of the preliminary results and rebuttal comments (rebuttal briefs) within five days after the time limit for filing the case briefs.¹¹ Pursuant to 19 CFR 351.309(d)(2), rebuttal briefs may respond only to issues raised in the case briefs. Parties who submit arguments are requested to submit with the argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.¹²

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, within 30 days after the date of publication of this notice.¹³ Requests should contain the party's name, address, and telephone number, the number of participants, and a list of the issues to be discussed. Issues addressed during the hearing will be limited to those raised in the briefs.¹⁴ If a request for a hearing is made, we will inform parties of the scheduled date for the hearing, which will be held at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, at a time and location to be determined.¹⁵ Parties should

¹⁰ See 19 CFR 351.224(b).

¹¹ See 19 CFR 351.309(c)(1)(ii) and 351.309(d)(1).

¹² See 19 CFR 351.309(c)(2) and 351.309(d)(2).

¹³ See 19 CFR 351.310(c).

¹⁴ See 19 CFR 351.310(c).

¹⁵ See 19 CFR 351.310.

confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Parties are reminded that briefs and hearing requests are to be filed electronically using ACCESS and that electronically filed documents must be received successfully in their entirety by 5:00PM Eastern Time on the due date.

Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act, Commerce will issue the final results of this administrative review, including the results of our analysis of the issues raised by parties in their comments, within 120 days after issuance of these preliminary results.

These preliminary results are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(4).

Dated: May 8, 2019.

Christian Marsh,
Deputy Assistant Secretary
for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

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- III. Period of Review
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